

HOUSING

I would also recommend for your favorable consideration a proposal to focus the resources of the State Treasurer's Office and the Wyoming Community Development Authority on the issue of housing in impacted and non-impacted areas. The ultimate funding level is open to discussion, but the need to address Wyoming's housing shortage cannot be denied.

LOCAL GOVERNMENT/IMPACT ASSISTANCE

Ronald Reagan, before he was president, spoke for many of us when he said, "I still believe that the government is best which remains closest to the people, but almost daily the Goliath that is the federal government moves to gather more power unto itself." We are not yet as bad as Washington DC, but I fear that, through the power of the purse, we are adopting an increasingly federal posture toward our elected friends in city and county governments.

As to the power of the purse, it remains my view that the limitations on local revenue sharing, or the caps as they are popularly named, have outlived their usefulness. While the caps may have been appropriate in 2001, we need to remember the CREG estimate for natural gas was as low as \$3 per MCF, for oil it was \$18-\$20 per barrel, and coal was \$5.07 per ton.

But I'm a realist. I recognize there is strong opposition to removing or significantly modifying the caps. Mindful of this policy position, I ask you to join with me in directly funding the more critical functions of local government. Regardless of one's position on the caps, cities and counties are facing major problems that are not going away. Clogged sewers, insufficient water pressure, barking dogs, potholes, fire emergencies, crime and jails, and the like are local responsibilities. The tax dollars, which actually belong to the taxpayers, should be directed to the local governments that most directly serve those taxpayers. Rather than reducing my recommendations, you should be adding to them.

Assistance for areas impacted by oil and gas development is a generally recognized need. The expertise of the Local Government Coordinating Council crafted the \$100 million proposal to address this issue. This delicately balanced proposal enjoys the support of the Wyoming Association of Municipalities and the Wyoming Association of County Commissioners.

This recommendation reflects three principles. First, it gives substance to Gov. Hathaway's 1973 statement that "... the state has an obligation to assist these impact communities..." Second, it respects the role of local decision makers by providing a predictable flow of funds for two years, rather than leaving local decisions to the whim of state government. Third, it makes more funds available to areas not impacted by energy development by preventing those impact-designated areas from competing for the traditional State Loan and Investment Board Federal Mineral Royalty grants. These principles make sense and should be part of the aid package adopted this year.

No one has claimed perfection in the current proposal. It may be appropriate to include additional counties in the impact designation or to create a program for cities and counties with perennial revenue shortfalls or to increase the direct distribution to all levels of local government. But I remind you, each of these expansions should be accompanied by added revenue allocation.

PERMANENT MINERAL TRUST FUND

I recognize our action, taken last session, to increase from 24 percent to 40 percent the amount of severance tax saved in the Permanent Mineral Trust Fund. Nearly \$650 million will flow to the Permanent Mineral Trust Fund this biennium; \$259 million is the direct result of the statutory increase implemented last session. Saving 40 cents of every severance tax dollar allows us to reach and perhaps exceed the proposed goal of \$4 billion by 2010. Forty percent is a truly remarkable savings rate.

WORKFORCE

I wish to thank the Appropriations Committee for supporting an expanded budget for workforce training. As you have no doubt heard from the employers in your area, the list of critical needs to continue our economic growth is led by the need for a trained workforce. The continuing growth in the oil and gas industry, power plants and coal beneficiation and capital construction are dependent on workforce availability. And we all share a desire for that workforce to be Wyoming citizens. The success of the Wyoming Contractors drilling school in Casper and the joint industry/college programs at Western Wyoming Community College are but harbingers of the success we can enjoy.

The recommended state support for a vocational training facility in Gillette has not been greeted with great enthusiasm. The combined arguments of “what’s in it for me,” and “the rich are getting richer” defeated the proposal before reaching the merits of building a stronger workforce in Wyoming. Legislation will be presented to again bring this issue before you. Please give it a fair hearing on the merits. On its merits, it deserves your support.